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READINESS AND RETENTION:
EFFECTS OF DOWNSIZING AND INCREASED
OPERATIONS TEMPO

by

James F. Martin, Major, USAF

A Research Report Submitted to the Faculty

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Advisor: Major Marlin Moore

Maxwell Air Force Base, Alabama

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Preface

As a previous commander, I heard airmen complain about force reduction, increased operations tempo (OPTEMPO), and eroding benefits. Since the beginning of the downsizing period, many feel their hard work has not been appreciated as they experienced small pay increases and reduced retirement benefits. Along with the downsizing came increased OPTEMPO, which had a negative impact on families and their quality of life. Although, nearly all believed their service was important to their country, they were losing faith in the system they were painstakingly trying to serve. In my last tour at the Pentagon, it became apparent that the problem in officer and enlisted retention was affecting our ability to meet mission requirements. I heard all the doom and gloom, but I also saw the efforts senior leaders were taking to provide the necessary fixes in all areas. I chose this topic because I believe the negative trends created by downsizing and increased operations tempo can be reversed by the initiatives in the Fiscal Year (FY) 2000 Defense Budget and efforts to stabilize OPTEMPO. Although these efforts alone will not solve all the problems, it will help restore the trust of our people. It will also take strong leadership at the unit level to build a culture that is based on purpose, trust, and patriotism.

I wish to take this opportunity to acknowledge the tremendous support I received from my faculty research advisor, Major Marlin Moore. His guidance and leadership provided the focus for successful completion of this project. A special thanks also goes to the staff of the Air University Library. Their efforts were instrumental in providing the data and evidence presented in this paper.

Abstract

The end of the Cold War brought about significant changes to the world and the U.S. military. The large containment force structure was no longer needed. The lack of a perceived threat and pressure to reduce defense spending created a period of downsizing. Since 1989 the U.S. Air Force has reduced its force by one-third and experienced 12 years of reduced defense spending. The pressure to downsize and the increased OPTEMPO have caused significant problems in readiness and retention. Increased demand on aircraft is creating maintenance shortfalls, thereby reducing the Air Force's ability to divert funds for modernization efforts. Air Force members are working harder than ever. Military operations other than war (MOOTW) have increased fourfold since the end of the Cold War. In a period where up to 27 percent of the force is deployed, they perceive that pay, retirement, and quality of life issues are on the decline. For all of these reasons, readiness and retention levels are at the lowest level in decades. Many predict the problems cannot be solved in the near future. This paper discusses or evaluates current pay and retirement reform initiatives contained in the FY 2000 Defense Budget that will help to reverse this negative spiral. It also examines the efforts to stabilize OPTEMPO. These initiatives will get the attention of those making re-enlistment decisions now, but the long-term fix is vested in leadership. These initiatives if implemented will make service members feel their efforts are being properly compensated and will help to restore the confidence and trust that makes up the foundation of military service.

Chapter 1

Introduction

“It’s clear to me that many of you are deployed too often. Or you are overworked when at your home base because you’re doing both your job and the job of those deployed. Our increased operations tempo—the result of reducing forces by 33 percent while increasing deployments fourfold—has put heavy strains on you and your family.”¹

—F. Whitten Peters
Acting Secretary of the Air Force

Research Question and Thesis Statement

The effects of military downsizing and the increased level of OPTEMPO have caused severe problems in Air Force readiness and retention. Current pay and benefits are not providing the incentives to offset the affects of downsizing and increased OPTEMPO. However, Air Force senior leaders have aggressively addressed the readiness and retention problems with both the President and congressional lawmakers. The initiatives contained in the FY 2000 Defense Budget can provide the necessary pay and benefit incentives to make service members re-think their decision to leave the military. These initiatives combined with the efforts to stabilize OPTEMPO and strong unit leadership can be of sufficient magnitude to reverse the negative readiness and retention trends.

Current Significance of the Problem

The end of the cold war brought about significant changes to our military. The large standing military required to fight a large communist threat is not currently needed. The perceptions of no real peer military threat increased pressure to downsize the military and reduce budgets. The downsizing not only reduced personnel strength but also dropped the Department of Defense (DOD) budget to its lowest percentage of gross national product (GNP) ever. Although the Cold War has ended, US forces are deployed in higher numbers and involved in more conflicts than ever before. The framework of our military has changed from defending the world against communism to fighting two major regional conflicts. However, military operations other than war (MOOTW) such as nation-building, humanitarian assistance, disaster relief, and peacekeeping operations are placing great demands on a reduced force.

The number of deployments causes great stress on the military members and their families.² Due to pressure to reduce defense spending, pay and benefit compensation packages have lagged behind the private sector, have been right at or below inflation, causing a pay gap of about 13.5 percent.³ The change to military retirement has resulted in it no longer being considered a retention incentive.⁴ Military members were told when downsizing occurred, they would be asked to do more with less—but that their sacrifices would be rewarded. Over the last six years, many members feel this has not happened.⁵ Because of this and the strong economy with its lucrative civilian job market, members are leaving at alarming rates. Second-term reenlistments have fallen by six percent.⁶ Pilots are leaving in record numbers for high paying airline jobs. Pilots accepting the continuation bonus dropped over 30 percent since FY 1995. By the year 2000, estimates have the pilot shortage at about 2,300.⁷ Readiness has also been impacted.

Aging aircraft and a lack of spare parts have caused mission capability rates to drop almost 10 percent in the last four years. Stateside readiness is also at an all time low.⁸

Preview Of the Argument

Military readiness and retention problems are alarming senior leaders, lawmakers, and the president.⁹ Now, at critical levels, many leaders are predicting it will take up to 20 years to fix the problems. In order to eliminate this negative prediction, senior leaders are determined to provide better pay, fix the retirement system, and stabilize OPTEMPO.¹⁰ The objective of this paper was to examine the negative impacts of downsizing and increased OPTEMPO on readiness and retention as well as determine the actions that will help reverse the negative trends. It is the opinion of the writer that the negative trends can be reversed with the pay and benefits initiatives contained in the FY 2000 Defense Budget, stabilizing OPTEMPO, and emphasizing strong leadership at the unit level.

Notes

¹ The Honorable F. Whitten Peters, Acting Secretary of the Air Force, "Acting Secretary Sets Sights on Retention, Future," *Air Force News Service*, Washington, DC, October 27, 1998, on-line, Internet, available at www.af.mil/cgi-bin/multigate/retrieve?u=z3950r://dtics11:1024/news!

² Herman Keizer, "Many Families Feel Betrayed, Chaplain Says Drawdown Has Major Impact," *Air Force Times*, January 31, 1994, On-Line. Internet. Available at www.mco.com/mem/archives/airforce/1994/af0131gq.htm

³ Suzann Chapman, "USAF, Navy Face Related Problems," *Air Force Magazine*, May 1997, p. 5.

⁴ John Pulley, "Study: Benefits Confuse Troops," *Air Force Times*, October 6, 1997, p. 24.

⁵ Neff Hudson, "Inflation Will Make Your Pay Raise Worthless," *Air Force Times*, November 7, 1994, P. 11.

⁶ General Michael E. Ryan, Chief of Staff, US Air Force, "Written Statement for the Record," *Testimony Given to the Senate Armed Services Committee*, Washington, D.C., January 5, 1999, On-Line. Internet. Available at www.af.mil/news/speech/current/Challenging_Times--Bright.html

⁷ Bryant Jordan, "It's Not Going Away/Pilot Shortage May Not Be Fixed For 20 Years," *Air Force Times*, October 5, 1998, p. 6.

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⁸ General Michael E. Ryan, Chief of Staff, US Air Force, “Written Statement for the Record.”

⁹ Bryant Jordan, p. 6.

¹⁰ General Michael E. Ryan, Chief of Staff, US Air Force, “Written Statement for the Record.”

Chapter 2

The Downsizing Period

“We watched on CNN as the wall was torn down...We were knee deep in containment war plans. We couldn’t believe our eyes...the Cold War was over...and we were the winners! What were we going to do next?”¹

—Eric W. Benken, CMSgt, USAF
August 22, 1998

The end of the Cold War required a review of our military structure. This review changed our force structure from a large containment force to one designed to meet the challenges of two simultaneous regional conflicts, such as Iraq and Korea. With the perception of no real peer military threat, the U.S. believed it could take advantage of a peace dividend, which resulted in 12 years of steady declines in force structure and defense spending. These declines placed a tremendous strain on a force that would become involved in increasing MOOTW operations.

The Cold War Ends

For over four decades, the United States and the Soviet Union engaged in a Cold War standoff. After Vietnam, deep budget cuts hollowed the U.S. military force until the Reagan administration. Determined to restore the U.S. military strength and win the Cold War, President Reagan increased defense spending to 6.3% of the GNP, an increase of 1.6% from the Carter administration.² The U.S. built a large, well-trained and superbly equipped force trained to deter and defeat, if necessary, the large Soviet superpower. The Soviets attempted to match the build-

up, spending up to 16.2 percent of their GNP in 1985.³ Already, facing internal economic and social crisis, the Soviets were unable to keep pace with the U.S. in both military strength and technological advances.⁴ Although many critics debate the real reasons for the collapse of the Soviet Union, many will agree the U.S. containment policy contributed to its downfall and allowed the U.S. to seize the momentum for a Cold War victory.⁵

In November 1989, the Berlin Wall came down, symbolizing an end to the Cold War. The end of the Cold War thrust the U.S. into its current role as the world's dominant superpower.⁶ The "balance of power had shifted in the favor" of the United States. In the early 1990s, the U.S. had no peer enemies and was successful in implementing democratic and economic reforms in Western Europe and East Asia. Consequently, the U.S. built strong alliances and coalitions, which greatly reduced the possibility of war. The democratic "zone of peace and prosperity" had been made possible because of America's global leadership.⁷

The new era of peace and prosperity led many to believe that few military threats existed. This perception left the U.S. military looking for a new identity. The new identity came in the results of the "Bottom Up Review of Defense Needs and Programs" in September 1993.⁸ This review placed the U.S. in a new leadership role, abandoning its long held containment policy and shifting instead to "the ability to fight and win two nearly simultaneous major regional threats."

The Peace Dividend

The results of the Bottom Up Review focused on regional conflicts instead of a large standing force to defeat another large superpower.⁹ The new policy required fewer forces and a reduced infrastructure to meet the threat. The large force structure stationed at forward overseas bases was no longer required. The new strategy assumed the military, particularly the Air Force, could respond quickly to regional conflicts, through rapid mobility and deployment of stateside

forces. This new strategy paved the way for defense cuts and personnel reductions or what some call the “peace dividend.”¹⁰ Then Secretary Les Aspin stated this was an opportunity to “protect and advance our security with fewer resources, freeing excess resources to be invested in other areas vital to our prosperity.”¹¹

Reduced Defense Spending

One area vital to America’s prosperity was the political pressure to reduce the national debt and balance the budget. According to the Congressional Budget Office report on the 1998 Economic and Budget Outlook, since 1969 the U.S. had experienced 28 years of consecutive budget deficits.¹² The largest deficit occurred a year after the Gulf War in 1992 at approximately \$300 million. This deficit spurred a call to reduce discretionary spending and the military’s “peace dividend” was a good source.¹³ In order to achieve the dividend, troop levels would have to be reduced. As troop levels were reduced, consolidation of forces could take place resulting in the need for fewer military installations overseas and in the U.S. According to lawmakers, the force consolidation would provide savings in infrastructure and support while maintaining the readiness of our military forces. However, others were sounding the alarm that the savings projections were too optimistic and may have negative results. Senator John McCain, a member of the Armed Services Committee expressed concern stating, “We are going hollow. We are losing our ability to get there firstest with the mostest.”¹⁴

A review of budget data during the downsizing period validates his concern that downsizing occurred too quickly and before the future strategic environment was analyzed. Since the Reagan era defense spending has declined for 12 consecutive years.¹⁵ According to the 1999 President’s Budget Submission, the percentage of GNP spent on defense is at an all time record low of 3.2 percent—almost a 50 percent decline since the mid 1980s.

A comparison of force strength and infrastructure between 1990 and 1999 validates the speed at which the downsizing occurred.

Table 1-Force and Infrastructure Changes Over Time

	FY 1990	FY 1999
FEW	36	20
Bombers	301	142
Strategic Airlifters	365	296
ICBMs	1,000	550
Major Installations	139	87
Military Endstrength	736	552
Civilian Endstrength	249	165

Source: SAF/FMB, "FY00/01 Budget Estimates Submission," Briefing presented to HQ ACC/FM Conference, Internet, available at wwwmil.acc.af.mil/fm

Based on the above figures, one might argue U.S. forces were downsized before the determination was made on how the military would be used after the Cold War. In a 1995 study conducted by the RAND Corporation entitled, "From Containment to Global Leadership," it concludes the U.S. has been "operating without a grand vision since the end of the Cold War."¹⁶ This drawdown in spending, personnel, and infrastructure has made it difficult to retain a quality force and jeopardizes our readiness level needed for our nation's security in the midst of increasing demands created by MOOTW.¹⁷

Notes

¹ CMSgt Eric, W. Benken, CMSgt of the Air Force, "Quality of Life In The Military," *Congressional Testimony To The Committee On Appropriations Subcommittee On National*

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Security, US House of Representatives, March 1998, on-line, Internet, available at www.af.mil/lib/cmsaf/testimony.html

² Congressional Budget Office, *The Economic and Budget Outlook: Fiscal Year 1999-2008*, January 1998, Figure 4-1, on-line, Internet, available at <http://www.cbo.gov/showdoc.cfm?index=316&sequence=5>

³ Zalmay M. Khalilzad, "From Containment to Global Leadership: America and the World After the Cold War," *RAND Report MR-525-AF*, Santa Monica CA, RAND, 1994, p. 5.

⁴ Henry Kissinger, *Diplomacy*, New York, NY, Touchstone, 1994, p. 79.

⁵ Khalilzad, p. 5.

⁶ Ibid, p. 1.

⁷ Ibid, p. 6.

⁸ Institute for National Strategic Studies, "Strategic Assessment-1997," *National Defense University*, Washington, DC, 1997, p. 243.

⁹ Ibid.

¹⁰ "Hollowing Out America's Defenses," *National Review*, Vol I, New York, NY, July 11, 1994, p. 41.

¹¹ Ibid, p.42.

¹² Congressional Budget Office, September 1998, on-line, Internet, available at <http://www.cbo.gov/showdoc/cfm?index>

¹³ Christopher St. Jean, "Managing the Drawdown's Human Side," Vol 77, *Military Review*, Fort Leavenworth, Nov/Dec 1997, p. 64.

¹⁴ "Hollowing Out America's Defenses," p. 42.

¹⁵ Maj Gen George T. Stringer, US Air Force, "FY00/01 Budget Estimates Submission," SAF/FMB, address to HQ ACC/FM Conference, on-line, Internet, available at wwwmil.acc.af.mil/fm

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¹⁷ Floyd Spence, "Is The Military Drawdown Endangering U.S. National Strategy?," *Insight On The News*, Washington, DC, September 28 – October 5, 1998, p. 72.

Chapter 3

OPTEMPO

“We are deploying to more places than 10 years ago, and we are doing that with a military that is 36 percent smaller than at the end of the Cold War.”¹

—William S. Cohen
Secretary of Defense
September 21, 1998

After four decades of facing the Soviet Union in the Cold War, the U.S. has been in a relative state of peace, except for an occasional hot spot. However, U.S. military forces find themselves involved in increasing MOOTW operations. From enforcing no-fly zones in Iraq to supporting peacekeeping efforts in Bosnia, up to 27 percent of the force has been deployed in support of MOOTW.² This demand puts a strain on both equipment and people. The downsized forces are overworked and deployed more often due to increased OPTEMPO created by MOOTW.³

The Demand

As the world’s only remaining superpower, the U.S. National Security Strategy outlines our role in global leadership. It states, “We must have the demonstrated will and capabilities to continue to exert global leadership and remain the preferred security partner for the community of states that share our interests. In many instances, the United States is the only nation capable of providing the necessary leadership and capabilities for an international response to shared

challenges.”⁴ In short, as the global leader, the U.S. is expected to provide the first response to global conflicts using every available instrument of power, especially the military instrument of power.

These conflicts now often come in the form of MOOTW. MOOTWs are nothing new to the Air Force, but they have increased significantly since the end of the Cold War. During the period from 1991-1995, the Air Force participated in 194 MOOTW, which was almost twice as many as during the years 1985—1989, the period just preceeding the end of the Cold War.⁵ A recent study conducted by the RAND Corporation, indicated peace operations are growing in importance and intensity. Peace operations more than doubled during a seven-year period compared to the previous seventy years, from four conducted from 1916 to 1988 to nine for the period of 1989 to 1996.⁶

The RAND study found that although peace operations represent only nine percent of the total number of MOOTW operations, over 90 percent of all Air Force sorties were flown in support of peace operations since 1991.⁷ Since the end of the Gulf War, examples of these operations have been Operations Southern Watch and Northern Watch in Iraq and Operations Deny Flight, Deliberate Force, and Joint Endeavor in Bosnia. Over 800,000 hours were flown in these operations which “represents a huge commitment of personnel, equipment, fuel, spare parts, etc., to support peace operations.”⁸

Readiness Impact on Resources

Despite downsizing its forces by nearly 33 percent since 1991, the Air Force has done its best to maintain readiness despite heavy deployments and declining budgets.⁹ Peace operations involve extensive use of airpower and place a drain on resources and people. The Air Force is involved in enforcing no fly-zones, which requires a constant monitoring of airspace around the

region which places a tremendous demand on aircraft. Fighter aircraft are required to patrol wide areas of responsibility for extended periods which requires additional support from tankers, airborne surveillance, maintenance, and support personnel on station in the region. These operations also tend to be prolonged in nature placing great demands on people and the Air Force's aging aircraft fleet.

Maintaining an overworked aging aircraft fleet is expensive. The average age of Air Force aircraft will reach 20 years by the year 2000 and 30 years by 2015 increasing maintenance and repair requirements.¹⁰ These older aircraft are breaking down more often and this has placed a demand on Air Force repair depots. In 1999, the Air Force backlog is projected to be \$323 million.¹¹ For example, costs for routine maintenance on F-15A/B models over 20 years old is 37 percent more expensive than newer F-15Es.¹² F-16A/Bs which have an average age of 16 years are 16 percent more expensive to maintain than the newer F-16C/Ds which are only 9 years old. These are just a few examples of the cost escalation created by increased OPTEMPO.

Depot backlog is just one indicator of how the increased demand on aging aircraft affects readiness. Spare parts are also scarce. When spare parts are not available, maintainers must cannibalize parts from other aircraft.¹³ An Air Force fighter squadron commander interviewed in 1998 by the San Diego Union Tribune stated "Before an F-16 squadron could fly to Saudi Arabia, crewmen had to cannibalize [parts from] four F-16s from other units and borrow three planes."¹⁴ The impact of the aging fleet and lack of spare parts on future defense budgets is significant and will continue until the older weapon systems are replaced. Until then, trade-offs will be made between near term readiness requirements and funding personnel incentives and quality of life programs.

These are alarming readiness trends resulting from the pressure to downsize the military force in the midst of increased OPTEMPO. General Ryan, Air Force Chief of Staff, during his testimony to the Senate Armed Services Committee, voiced a number of concerns.¹⁵ He stated, “Mission capability rates for major Air Force weapons systems declined nearly 10 percent since 1991 to a mission capability rate of 74 percent today. Indeed, nearly one-third of that decline has occurred in the last year. Furthermore, our parts cannibalization rate has grown by 78 percent during the last three years.” He further commented that not only does this affect the readiness of our aircraft, but also results in an increased workload for maintenance personnel.

Readiness Impact on People

Higher OPTEMPO increases the demands placed on aircraft and resources; it also negatively affects the readiness of people as well. A RAND study of fighter pilots found that missions conducted during peace operations such as patrolling no fly-zones provide no real training to improve and perfect combat skills such as dropping bombs and engaging in air to air combat.¹⁶ Perfecting these skills is critical to the early airpower success required in a major regional conflict.

The lack of actual combat training during peace operations requires pilots to complete intense training schedules after deployments to maintain their combat proficiency. This leaves little time for family and quality of life activities. If deployments last for extended periods of time, the RAND study found that training waivers would be granted to excuse some portions of training.¹⁷ According to RAND, these waivers have been increasing. The study further concludes personnel experiencing multiple deployments and receiving multiple waivers are losing the skills necessary for combat missions. This lowers readiness capability and forces pilots to choose between maintaining combat excellence and quality of life activities.

A recent RAND survey of personnel at three 8th Air Force wings concluded increased OPTEMPO and a decreased workforce affect other units as well.¹⁸ Units with special skills such as security police, civil engineers, and communication specialists are repeatedly deployed leaving little time for family and other opportunities such as professional military education, off-duty education, and career broadening. Two members wrote the following comments. “Prep and training time for deployment and the extended deployment time (90-175 days) eliminates potential for college classes and PME attendance.”¹⁹ “Tempo and manning has made ‘planning’ difficult because of short notice taskings and inability to handle flex in workload.”²⁰

The results of these reports indicate the impact on Air Force that is at its lowest manning level ever and is deployed to more locations than before. The impacts to readiness are apparent and can be measured in not only in terms of mission capability rates, but also in increased stress and reduced quality of life.²¹ These trends are harder to measure but have a definite impact on readiness. In order to maintain readiness, retention of a highly motivated and dedicated force is required, calling for a need to increase incentives and stabilize OPTEMPO.

Notes

¹ “Cohen’s Vision For Strong Defense,” *American Forces Press Services*, Washington, DC, September 21, 1998, on-line, Internet, available at www.dtic.mil/afps/news/archive.html

² Maj Gen George T. Stringer, US Air Force.

³ Alan Vick et al., “Preparing the U.S. Air Force for Military Operations Other Than War,” *RAND Report MR-842-AF*, Santa Monica CA, RAND, 1997.

⁴ White House, *National Security Strategy For A New Century*, Washington, DC, October 1998, p. 1.

⁵ Alan Vick et al., p. 7.

⁶ Ibid, p.14-15.

⁷ Ibid, p.14.

⁸ Ibid, p. 20.

⁹ Ibid, p. 15.

¹⁰ Maj Gen George T. Stringer, US Air Force.

¹¹ Peter Grier, “Readiness,” *Air Force Magazine*, December 1998, on-line, Internet, available at www.afa.org/magazine/1298readiness.html

¹² Maj Gen George T. Stringer, US Air Force.

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¹³ General Michael E. Ryan, Chief of Staff, US Air Force, “Written Statement for the Record.”

¹⁴ Linda D. Kozaryn, “Cohen: Readiness Takes Money,” *Armed Forces Press Service*, October 13, 1998, on-line, Internet, available at www.dtic.mil/afps/news/archive.html

¹⁵ General Michael E. Ryan, Chief of Staff, US Air Force, “Written Statement for the Record.”

¹⁶ Alan Vick et al., p. 17.

¹⁷ Ibid, p.23.

¹⁸ Thomas Fossen et al, “What Helps and What Hurts-How Ten Activities Affect Readiness and Quality of Life at Three 8AF Wings,” *RAND Report DB-223-AF*, Santa Monica CA, RAND, 1997, p. 30.

¹⁹ Ibid

²⁰ Ibid

²¹ Ibid, p. x.

Chapter 4

The Impacts

“Military personnel and their families are paying an increasingly higher human price from repeatedly being asked to do more with less...”¹

—U.S. Representative Floyd Spence
April 9, 1997

Statistical data on mission capability rates, aging aircraft, depot maintenance increases, and spare parts availability can be used to validate the impact of downsizing and increased OPTEMPO. It is harder to measure the impact on an airmen’s morale and quality of life. However, in a report that accompanies the National Defense Authorization Act of 1998, Senator Thurmond attempts to summarize current military readiness by including a letter sent to him by a non-commissioned officer (NCO).² The NCO describes the “grueling pace” of units supporting peacekeeping and other contingency operations by stating, “We have old, worn out equipment that is difficult to maintain because we cannot always get the parts needed to repair them. It is the same way wherever we go; outdated, broken equipment, a lack of spare parts, overworked and underpaid GIs, resulting in an inability to perform our mission.”³ Commanders voiced similar concerns when members of the Armed Services Committee visited various Air Force bases. Commanders observed two factors that threaten further decline in Air Force readiness—“the lack of adequate funding and, the over-commitment of a greatly reduced force structure.”⁴

The Human Impact

The comments made by the NCO summarize the negative impacts of downsizing and increased OPTEMPO. One question now being asked by military planners is, did the military downsize too quickly before a grand strategy was developed that would take into account the impact of increased OPTEMPO on readiness and retention?⁵ One method of analyzing this question and its impact on the people that remained throughout the downsizing period is to compare downsizing efforts by private corporations.

Corporate Downsizing: A Comparison

Without the demand to maintain a large containment force and the pressure to reduce the budget deficit through a “peace dividend” the military went through the downsizing period to save money on infrastructure and support costs.⁶ Corporations have also gone through periods of tremendous downsizing to improve productivity and save money. The goals of the civilian and military downsizing are very similar. Each looks to reduce costs by reducing infrastructure and increasing technology, but also through reducing personnel and payrolls.⁷

Are corporate downsizing plans successful? The results are mixed, but many report results that fall short of expectations. In a 1993 survey,⁸ companies were asked if personnel cuts achieved projected efficiencies and savings. Of the 531 companies reporting, 58 percent projected higher productivity and savings but only 34 percent achieved the desired results. The study also reported that businesses seeking to achieve higher productivity and retention of highly qualified people more than 50 percent were unsuccessful.

One major reason that companies failed to meet their goals was failure to realize the personal and emotional impacts among those being downsized and those who remained.⁹ The majority of companies surveyed stated employee morale among those that stayed dropped

significantly unless incentives were increased. This observation is being reported in the military as well. During the downsizing period, the Air Force offered attractive incentives for people to voluntarily separate, but offers little incentives for those who survived the challenges of the downsizing period.

Reduced Trust

The message from private corporations is clear. Companies that do not take into account the personal impacts of downsizing can expect survivors to “maintain low profiles, have less initiative, become more cautious, and take fewer risks.”¹⁰ In a downsizing environment, the values of leaders are altered and the trust of the people begins to deteriorate. Leaders were forced to make hard choices between taking care of their overworked people and preparing for inspections/exercises, knowing that the scores would help determine their future in the Air Force. This helped create a “zero defect” or “one mistake” mentality. In a downsized workforce, where the first mistake may be your last, “people feel disempowered, frightened, anxious, and scared.”¹¹ Instead of remaining loyal to the company, people will become loyal to themselves. This leads to lack of trust among the workforce, which leads to increased frustration and decreased retention.

The impacts on morale are hard to quantify, but surveys and retention trends suggest the impact is severe. In the past, these concerns were not as important due to the demographics of the force. In the late 1970s, 70 percent of the younger members were single.¹² They saw deployments as an adventure and an opportunity to travel. Today’s Air Force is different. Now approximately 63 percent of younger members are married. Their values are different. Members now must consider not only their quality of life, but also their families’ quality of life.

Eroding Benefits

In an environment where members are being asked to do “more with less,” members expect their sacrifices to be rewarded. During the period of downsizing and reduced defense spending, members have seen their pay and benefits erode requiring them to give their families “less with less” at the same time their jobs require them to “do more with less.” In a quality of life survey conducted by the Air Force, commanders and first sergeants identified pay and compensation as one of the main reasons why members are leaving the military.¹³ These concerns were further validated in General Ryan’s written statement to the Senate Armed Services Committee, “Air Force members and their families endure frequent separations resulting from increased operations tempo. Our members who leave the Air Force often tell us that we are losing them because they are torn between the job and the needs of their families.”¹⁴ Therefore, while we recruit individuals—we must retain families.” Members wanting to meet their family needs are frustrated at what they perceive as eroding military benefits coupled with an attractive American economy and one of the lowest unemployment rates in history. Increased pay and benefits will help ease the retention problems according to Air Force Quality of Life surveys.¹⁵

A review of pay raises validates the perception of eroding benefits. In the early 1990s, pay raises remained at or below the inflation rate.¹⁶ In addition, under the federal pay-comparability law, annual raises for government employees were capped at one-half of one percent less than the Labor Department’s Employment Cost Index. That formula was used to calculate the 2.2 percent pay raises in 1994, the 2.6 percent raise in 1995 and the 2.4 percent raise in 1996. In 1997, 1998, and 1999, military pay raises increased to one half of one percent above the cost index resulting in pay raises of 3 percent, 2.8 percent, and 3.6 percent respectively.¹⁷ Some officials estimate the gap between military and civilian pay rates are now 13.5 percent.¹⁸ As the American economy booms with no signs of letting up, this perception of lagging pay will grow

unless the pay reform initiatives designed to eliminate the pay gap in the FY 2000 Defense Budget are approved.

Retirement benefits are another area members identified that influence their retention decision. The military currently has three different retirement systems.¹⁹ Those entering service before September 7, 1980 receive retirement benefits that equal 50 percent of basic pay at 20 years. Members entering service between September 8, 1990 and July 31, 1986 will receive retirement payments equal to 50 percent of the average of the three highest years (High 3) of basic pay. The most current plan, (called Redux) will pay members entering service after July 31, 1986 40 percent of the High 3 average until age 62. After age 62 it pays 50 percent of the High 3 average. The Redux plan further erodes benefits by limiting the cost of living adjustments to one percentage point less than the High 3 retirees.²⁰

The Redux plan is now having an impact as members under the plan are exceeding 10 years of service and evaluating the value of their retirement checks.²¹ Today's robust economy has produced one of the lowest unemployment rates in history, making competition for jobs very intense. Private corporations offer generous incentives to include attractive retirement plans. As young service members begin evaluating the value of their retirement plans, the robust benefit packages offered by private corporations provide an incentive to leave the service.

The Retention Impact

The impacts of downsizing and increased OPTEMPO have resulted in decreases to both overall and stateside readiness. These statistics are easily measured and the impacts to those affected have voiced concerns through surveys and studies. The results, which appear on the Air Force Issues Internet site, reveal downward trends in every category.²² In order to access the

magnitude and analyze the effectiveness of the current course of actions, a review of the retention problems are highlighted in the next few paragraphs.

Pilot Retention

The results of increased OPTEMPO and perceived eroding quality of life issues coupled with high airline pilot hiring and a healthy economy have resulted in declining pilot and navigator retention rates for the Air Force.²³ According to the statistics posted on the Air Force Issues Internet site, four major indicators point to the current pilot retention problem.²⁴ First, in FY 1988, the Cumulative Continuation Rate (CCR) for mid-year pilots with six to eleven years of service declined 31 percent from FY 1995 (all time high) levels (87 to 56 percent). Second, FY 1998 bonus take-rates declined 47 percent (i.e., 81 to 34 percent) from FY 1994 (all time high) levels. The current FY 1998 pilot bonus take-rate is 26 percent. Third, the Air Force is experiencing an 80 percent increase in pilot separations from last year. In FY 1998, 1,013 separations were approved compared to 563 during the same period in FY 1997. And fourth, major airlines are hiring at increasing rates. In 1997, 3,854 new hires were expected. According to personnel officials the pilot shortage will increase to approximately 1,200 in 1999 and could be as high as 2,300 by the year 2002.²⁵

Non-Rated Retention

Again, using data from the Air Force issues internet site, non-rated line officer retention is at or below historical averages.²⁶ In non-rated operational career fields, the current retention rate is 56 percent, which is 3 percent below the historical average of 59 percent. Mission support career fields are down even more. In 1997, the retention rate was 42 percent, 11 percent below the historical average of 53 percent. Those surveyed listed increased OPTEMPO and reduced pay and benefits as the top reasons for leaving military service.

Enlisted Retention

Nineteen ninety-eight marked the first year when reenlistment goals in all three enlisted categories (first, second, and career) were not met.²⁷ The downward trends among second term airmen are disturbing because they represent the most highly trained and technically proficient part of the workforce. As of April 1998, second term enlisted retention rates were at 70 percent, this is 5 percent below the Air Force goal of 75 percent. Many technical career fields such as avionics specialists, aircraft crew chiefs, and air traffic controllers are experiencing even lower reenlistment rates. For example, mid level NCO retention in aircraft avionics declined 39 percent in five years. F-15 crew chiefs left at a rate 24 percent higher in the same period.²⁸

Similar retention results are showing up in the other services. The services Chiefs have voiced concerns over readiness issues in recent meetings with the President and in testimony to Congress. General Ryan, Air Force Chief of Staff stated in his March 1998 testimony to the House National Security Subcommittee, “We must take action to fend off the adverse effects of this OPTEMPO in our readiness and retention.”²⁹

Although these concerns have been voiced in the past, senior defense leaders had little flexibility to fix the problems due to spending limitations imposed by the Balanced Budget Amendment of 1997.³⁰ This legislation required them to make tradeoffs between near term readiness needs such as aircraft maintenance and funding personnel accounts or quality of life programs. Increased OPTEMPO diverted funds used to maintain the overworked aircraft fleet. The first budget surplus in four decades, increased military demand for U.S. involvement in MOOTW, and the declining trends in readiness and retention, provides senior leaders an opportunity to aggressively attack retention-related problems. They have addressed service member concerns by including initiatives in the FY 2000 Defense Budget to fix these problems

and stabilize the effects of OPTEMPO.³¹ Only time will tell whether it will be enough to compete with the robust economy and a lucrative job market.

Notes

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⁴ Ibid

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⁷ Eric C. Ludvigsen, “Army Takes The Brunt of ’91 Budget Cuts,” *Army Magazine*, March 1990, 14-20.

⁸ Robert B. Reich, “Of Butchers and Bakers,” *Vital Speeches of the Day*, October 1993, p. 100-102.

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¹⁰ Ibid.

¹¹ Richard M. Hodgetts, “A Conversation With Warren Bennis on Leadership in the Midst of Downsizing,” *Organizational Dynamics*, Summer 96, Volume 25 Issue 1, p.72.

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¹³ Department of the Air Force, “1998 Air Force Quality of Life Focus,” *Air Force Personnel Center, Retention Homepage*, March 1998, on-line, Internet, available at www.afpc.af.mil/retention

¹⁴ General Michael E. Ryan, Chief of Staff, US Air Force, “Written Statement for the Record.”

¹⁵ Department of the Air Force, “1998 Air Force Quality of Life Focus.”

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¹⁷ Department of the Air Force, “Summary of Legislated Benefits Gains Since FY91,” *Air Force Personnel Center, Retention Homepage*, February 1998, on-line, Internet, available at www.afpc.af.mil/retention/retben.html

¹⁸ Suzann Chapman, p. 5.

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²⁰ Jack Weible, “There’s Less Than Meets the Eye,” *Air Force Times*, April 27, 1998, p. 10.

²¹ John Pully, “Study: Benefits Confuse Troops/Ignorance May Harm Retention, Researcher Says,” *Air Force Times*, October 6, 1997, p. 24.

²² Department of the Air Force, *Air Force Issues Home Page*, on-line, Internet, available at www.issues.af.mil

²³ Suzann Chapman, p. 5.

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²⁴ Department of the Air Force, "Rated Retention," *Air Force Issues Home Page*, January 1999, on-line, Internet, available at www.issues.af.mil/ratedret

²⁵ Bryant Jordan, p. 6.

²⁶ Department of the Air Force, "Retention (Non-Rated and Enlisted)," *Air Force Issues Home Page*, on-line, Internet, available at www.issues.af.mil/retentm.html

²⁷ Ibid.

²⁸ General Michael E. Ryan, Chief of Staff, US Air Force, "Written Statement for the Record."

²⁹ Ibid.

³⁰ Linda D. Kozaryn.

³¹ Robert F. Dorr, "99 Will Be Better For Patient Airmen," *Air Force Times*, January 1, 1999, p. 54.

Chapter 5

Analysis and Recommendations

..".the Air Force has three budget priorities: People; Readiness; and Modernization. People come first, because we cannot have a ready force today or tomorrow unless we attract, train, and retain the highest quality men and women to operate our 21st Century technologies."

—The Honorable F. Whitten Peters
Acting Secretary of the Air Force
Air Force Association Air Warfare Symposium, February 1998

Although the impacts on readiness and retention seem severe, the negative impacts of downsizing and increased OPTEMPO can be countered. Companies that have gone through successful downsizing have gone to great lengths to care for the survivors. Studies show people from all types of corporations want the same thing—a clear set of values.¹ One author suggests these values are “adequate pay, trust, and a sense of worth.” Aggressive initiatives are underway to restore the broken trust among service members by increasing pay and fixing retirement in the FY 2000 Defense Budget. Actions such as the implementation of the Aerospace Expeditionary Force (AEF), reducing frequency of inspections, and modernizing the aging aircraft fleet should help stabilize the effects of increased OPTEMPO. Combined with strong leadership at the unit level, these values could be restored and the negative trends in readiness and retention reversed.

Pay and Retirement Reform

Increasing pay and fixing the retirement system are rated as top retention issues for Air Force members.² The FY 2000 Defense Budget contains significant gains in pay raises, bonus packages, and retirement reform.³ These initiatives should allow the Air Force to reduce the impact of downsizing and increased OPTEMPO while competing with the lucrative civilian job market. The increased spending levels provide significant pay raises designed to eliminate the 13.5 percent pay gap.⁴ Legislation also includes a proposal to eliminate the 40 percent Redux retirement system and provide re-enlistment bonuses for many career fields.

The 3.6 pay raise in January 1999 was the first attempt to get the attention of service members.⁵ It represented the first time since the Reagan administration that increases matched the private sector and exceeded the inflation rate of 1.5 percent. Current debate over boosting pay should result in a pay raise ranging from 4.4 to 4.8 percent for the year 2000. Additional increases are targeted at mid-level officers and senior enlisted which would provide up to an additional 5.5 percent increase. Future increases call for pay raises up to 2.5 percentage points higher than private sector wages as measured by the Employment Cost Index. This would close the current pay gap in approximately six years. The magnitude of these increases should provide military members a message that their service and sacrifices are appreciated. Not only do pay raises create short-term gains, but it also increases the value of retirement benefits—another area that is under review and must be fixed according to Air Force Quality of Life Surveys.⁶

Two plans are currently being reviewed to eliminate the 40 percent Redux retirement plan.⁷ One plan would restore the 50 percent High Three plan to all members entering military service after July 31, 1986, but would retain cost of living increases under the Redux plan. The second plan would restore the 50 percent retirement and would allow adjustments based on cost of living

increases. To further add to the retirement benefit, some Congressional members are asking for a 401K like retirement plan to supplement the retirement plan.

However, in order for these efforts to build trust, proposals must be kept simple according to a study of 255 enlisted members at Davis Monthan AFB.⁸ It concluded airmen under the Redux plan were less aware of their benefits than members of the 50 percent High Three plan. The study called the Redux plan complicated and “undermines their incentive to re-enlist.”⁹ A real show of faith would be obtained by fully restoring the 50 percent retirement at twenty years with full cost of living increases. The plan is simple, easy to calculate, and an incentive for re-enlistment according to surveys.

Some might argue that the robust economy and the lucrative job market will continue to motivate members to leave the service. As long as the economy continues to grow, proposed financial incentives may not be enough. Private companies now offer generous incentives for personnel with technical skills. The Air Force provides high tech training to members who can later market these skills for jobs that pay much more in the civilian job market. The Air Force is now finding itself competing for these skills. If the incentives are not right, the Air Force cannot reduce the impact of downsizing and increased OPTEMPO.

In order to reduce this impact, the Air Force must provide reenlistment and incentive bonuses to retain high demand specialties. The Air Force must not lose this investment in expertise by failing to offer the right incentives to specialty career fields. Re-enlistment bonuses provide enlisted members something to look forward to at re-enlistment and should help reduce the negative retention trends. If the FY 2000 Defense Budget is approved, enlisted members will receive reenlistment bonuses in 115 career fields ranging from \$1,000 to \$9,000.¹⁰

The FY 2000 Defense Budget also includes additional pay incentives to include the career enlisted flight pay, aircrew flying duty pay, and temporary-lodging expense for first term enlisted members.¹¹ Pilots have seen bonuses increase to a maximum of \$22,000. Flight pay has been increased to as high as \$840 per month. These pay increases can help balance the needs of members and their families with the increased OPTEMPO demands.

Stabilizing OPTEMPO

According to surveys, reducing the impact of OPTEMPO must be addressed to ensure retention goals are maintained.¹² Studies indicate members want stability. All military members realize they will be called away for duty. However recently, members have been called away over and over again for peacetime operations, sometimes with little or no notice. Providing some predictability of when a member deploys should reduce the impacts of OPTEMPO and lessen the chance that members will choose a more stable civilian lifestyle.¹³

Reducing OPTEMPO is one objective of the AEF.¹⁴ The AEF will consist of 10 forces with two on call at any given time to respond to the variety of MOOTW operations.¹⁵ The units would be on call or deployed for 90 days at a time. The AEF will provide the warfighting commanders with the best aerospace capabilities molded into one unit. The AEF will provide members more stability as units deploy during a known 90-day window. Support forces should also have reduced OPTEMPO, as 5,000 positions will be filled to support the AEF.

In order to ensure time between deployments is used effectively, major commands such as Air Combat Command (ACC) have implemented stand-downs for all personnel returning from contingencies to provide recovery time for its members.¹⁶ The time between exercises has also been increased in many cases from 12 to 18 months. On January 1, 1998, the Air Force stopped

conducting Quality Air Force Assessments (QAFAs) and each command has taken steps to reduce Operational Readiness Inspections (ORIs).

If carried through, these initiatives should allow members to focus on routine operations and combat training. According to the RAND survey conducted at three 8th Air Force wings, training for routine operations improved readiness and quality of life, while time spent preparing for inspections tended to degrade combat proficiency.¹⁷ According to the study, reducing the frequency of inspections and exercises could reduce the average workweek by 20 hours, from 80 to 100 hours to 60 to 80 hours. This initiative should improve both combat readiness and quality of life.¹⁸

The AEF and the initiatives to reduce inspections can eventually provide the stability service members desire; however, one might argue that the positive effects may not come soon enough. For these initiatives to have a positive retention impact, the AEF must deploy and return home as scheduled. Most new initiatives take time to perfect and the AEF concept is no different. If the AEF exceeds its advertised deployment schedules additional demands will be placed on service members and their families which could reduce the positive effect on retention.

To ensure the initiatives can have a positive retention impact, the writer suggests an additional financial incentive be added for members deployed in hostile regions. The federal government currently allows federal tax exclusion for months served in hostile regions. The federal government should allow exclusion for the entire tax year when deployments exceed 90 days. This initiative would not require additional funding increases for the Defense Budget; it would only reduce federal tax revenues. In a political environment where all politicians are talking tax cuts, this financial incentive could be an easy step to implement and could provide the incentive that will offset extended deployment schedules.

These ideas can provide improvements to retention, but will also improve readiness by retaining highly skilled personnel to conduct mission operations. Having the right equipment also effects the Air Force's ability to maintain a high level of readiness. As mentioned in Chapter 3, the costs and workload associated with maintaining an aging aircraft fleet must be reduced. Modernization will allow the Air Force to replace outdated weapon systems, drive down maintenance costs, and decrease workload.¹⁹ The Air Force FY 2000 Budget submission, if approved, will result in the first inflation-adjusted increase in procurement funding in over a decade.²⁰

If approved, the FY 2000 Defense Budget provides significant pay changes that will be visible when members open their pay statements on January 15, 2000. Other incentives such as bonuses and restoration of the 50 percent retirement system should provide a clear message to members that their service is appreciated and senior leaders are working hard to retain their valuable skills. However, in the long run, members will want more than just a good paycheck. They will want to be a part of a team that has a sense of purpose, trust, and patriotism—leaders at the unit level must build this culture.

Leadership

“The armed forces still offer a great way of life for young Americans. We still offer tremendous opportunity, skills training, and we do it in an environment of equal opportunity. We still offer an exciting way of life, and this nation still needs patriotic Americans who are willing to sacrifice for their nation and win her wars. As Sgt. Major of the Marine Corps (Lewis G.) Lee said recently, ‘It’s time to accentuate the positive things about our armed forces and our special way of life and stop listening to the negative.’”²¹

The FY 2000 Defense Budget contains significant incentives to restore the trust and confidence of our service members. All leaders should to step forward and spread the good news. The initiatives contained in the FY 2000 Defense Budget will significantly increase pay,

retirement, and quality of life benefits. Leaders at the unit level should educate themselves about the current initiatives and then educate their people. As Chief Master Sergeant of the Air Force Eric Benken recently noted, it is time to make “optimism become a force multiplier.”²²

In a downsized environment, there is no substitute for leadership. Leadership starts with the optimism to make people feel good about their efforts. A good leader knows how to access the skills of his/her people and make the best use of them. Good leaders know how to combine the needs of the unit with the needs of the individual—a win, win situation.

Building back the trust of our troops should be the highest priority of every leader in the Air Force. Creating a culture based on trust allows the negative impacts of downsizing to be reduced. Instead of a “zero defect” environment, leaders must create an environment where high standards and hard work are expected of everyone, but when honest mistakes are made they should be used as opportunities to improve the skills of the workforce. Helping someone overcome a deficiency not only will improve performance but will allow the individual to grow and develop. It will reestablish trust and confidence in leadership. It will also train young airmen and officers to become better leaders for the future.

Recently, the acting Secretary of Air Force, the Honorable F. Whitten Peters, told a group of graduating first sergeants,

“Today, we are asking our first shirts to take responsibility not only for discipline, but more important to exercise those leadership skills that have brought you to this point in your lives. Our young men and women are looking for mentors and they are looking for role models. They are patriotic. They are hard working. They enjoy teamwork and take pride in accomplishment. They want to put their skills to the purposes of our nation. What they need is men and women to lead them, to coach them, to assure them that hard work is appreciated, and most of all to show them that loyalty is a two way street that runs from the top down as well as from the bottom up.”²³

The U.S., in its global leadership role, will always be called upon to respond to worldwide events and crises. Our national security strategy provides our military not only the responsibility

to defeat an enemy in battle, but opportunities to respond, shape, and influence the growth and development of nations throughout the world. Leaders must know how communicate the importance of their efforts in shaping the international environment. Highly effective units are ones that are self-motivated because they understand their role in the “big picture.” In these units, the reward is knowing you did your part on a team that is fulfilling America’s strategic objectives. Leaders must create an environment where everyone feels a part of a long and proud military tradition who have risked their lives in defense of this country. This will ensure future generations view military duty as an honorable way to serve their country.

Notes

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⁸ John Pulley, p. 24.

⁹ Ibid

¹⁰ Maj Gen George T. Stringer, US Air Force.

¹¹ Ibid.

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¹⁴ Bruce D. Callander, “The New Expeditionary Force,” *Air Force Magazine*, September 1998, on-line, Internet, available at www.afa.org/magazine/0998force.html

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¹⁶ Department of the Air Force, “Tempo.”

¹⁷ Thomas Fossen et al, p. 30.

¹⁸ Alan Vick et al., p. 21-25.

¹⁹ “Cohen’s Vision For Strong Defense.”

²⁰ Department of the Air Force, “Tempo.”

²¹ CMSgt Eric W. Benken, CMSgt of the Air Force, “Challenging Times—Bright Future—Strength in Unit,” address to the Noncommissioned Officer Association Convention,

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Washington, DC, August 22, 1998, on-line, Internet, available at www.af.mil/news/speech/current/

²² Ibid.

²³ The Honorable F. Whitten Peters, Acting Secretary of the Air Force, “Let’s Roll Up Your Sleeves and Get To Work,” graduation address to First Sergeant Academy, Maxwell AFB, AL, August 11, 1998, on-line, Internet, available at www.af.mil/news/speech/current/

Chapter 6

Conclusions

The effects of military downsizing and the increased level of OPTEMPO have caused severe problems in Air Force readiness and retention. Now, the downsizing period is coming to an end; however, increased OPTEMPO will continue to dominate the world scene. The current readiness and retention impacts are at a crucial turning point.¹ Airlines are hiring virtually every pilot that becomes available. Enlisted retention statistics are alarming and it could get worse. By the year 2001, 74 percent of the enlisted force will be faced with the decision to re-enlist or not.² As presented in the paper, senior leaders have aggressively attacked these issues in the FY 2000 Defense Budget.³ The pay and retirement reform initiatives in the FY 2000 Defense Budget should provide the short-term impact that will allow members to reconsider leaving military service. Actions to stabilize OPTEMPO such as the implementation of the AEF and reducing the frequency of inspections will have positive short-term and long-term effects. Even if members receive big increases in pay and bonuses, retirement reform, and OPTEMPO stability, strong leadership at the unit level is still the key.

The economy will also play a big role in retention efforts. As mentioned previously, a lucrative job market will draw people out of military service into the civilian job market. The Air Force will continue to lose pilots and high tech specialists unless it continues to provide significant financial incentives. Unless the economy goes into recession, future incentives will

be necessary to compete with the civilian job market. It is unlikely senior leaders can continue to ask for and receive significant funding increases for pay, bonuses, retirement, and modernization. To ensure readiness and retention levels are maintained the Air Force may again have to make trade-offs with other programs.

Base Closures

In order to minimize the funding trade-offs, additional base closures should occur. The closings will reduce infrastructure costs and could “ultimately save \$20 billion” which could be used to fund additional readiness and retention concerns.⁴ However, base closures have tremendous political impacts due to the economic strain placed on communities experiencing a closure. Since voters live in these communities and not in the Pentagon, it may be difficult to convince politicians to support additional base closings.

Robust Basing

If base closures are approved, the Air Force should move to a concept of robust basing. These bases would allow the Air Force to consolidate infrastructure and support requirements. It would also compliment the AEF concepts by allowing members to live, train, and operate in the same location. Robust basing would also reduce the number of permanent change of station (PCS) moves, which would also save money and provide stability for service members.

Tax Breaks

Additionally, if increased OPTEMPO requires members to be deployed for extended periods, every effort should be made to implement the federal income tax exclusion mentioned in Chapter 5. In addition, efforts should be made to increase DOD paid incentives such as hostile fire pay, travel per diem rates, and family separation allowance. Increasing entitlements for

MOOTW will “up the ante” on Congressional contingency funding which might make political leaders re-think our involvement in numerous world crises. These additional initiatives can supplement the changes produced by the current initiatives if they fail to achieve the desired results.

Although, retention and readiness are at crucial levels, downsizing is ending and the efforts to manage OPTEMPO should relieve stress and improve quality of life. This writer believes that the tremendous gains in pay and retirement benefits provided by the FY 2000 Defense Bill will help restore the trust of Air Force members. Additionally, funding increases for modernization will ensure Air Force members remain the best equipped in the world. Once fully implemented, the AEF should provide stability and predictability despite increased OPTEMPO. Our leadership is strong and should be used as a force multiplier in keeping quality people engaged, razor sharp, and in uniform. Combined, these efforts can go along way to reverse the negative retention and readiness trends created by downsizing and increased OPTEMPO.

Notes

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² Ibid.

³ Robert F. Dorr, p. 54.

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Glossary

ACC	Air Combat Command
AEF	Air Expeditionary Force
AF	Air Force
CCR	Cumulative Continuation Rate
FWE	Fighter Wing Equivalent
FY	Fiscal Year
GNP	Gross National Product
NCO	Non-Commissioned Officer
OPTEMPO	Operations Tempo
ORI	Operational Readiness Inspection
PME	Professional Military Education
QAFA	Quality Air Force Assessment

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